



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

MAR 07 2011

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T:EP:RA:T1

**Uniform Issue List: 408.03-00**

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**Legend:**

Taxpayer A = \*\*\*\*\*  
IRA B = \*\*\*\*\*  
Financial Institution D = \*\*\*\*\*  
Financial Institution E = \*\*\*\*\*  
Financial Institution F = \*\*\*\*\*  
Company G = \*\*\*\*\*  
Amount 1 = \$\*\*\*\*\*  
Amount 2 = \$\*\*\*\*\*  
Amount 3 = \$\*\*\*\*\*

Dear \*\*\*\*\*.

This is in response to your request received in this office \*\*\*\*\* , in which you request a waiver of the 60-day rollover requirement contained in section 408(d)(3) of the Internal Revenue Code (the "Code").

The following facts and representations have been submitted under penalty of perjury in support of the ruling requested:

Taxpayer A represents that he requested and received a distribution of Amount 1 from Individual Retirement Account (IRA) B. Taxpayer A asserts that the failure to roll over Amount 2 within the 60-day period was due to the failure of Financial Institution D, investment advisor for Company G, to initiate for distribution the correct amount of funds. Taxpayer A represents that the funds have not been used for any other purpose.

Taxpayer A represents that he requested a distribution of Amount 1 from IRA B with Financial Institution E. Taxpayer A intended the distribution to include all of his liquid assets in Company G. After receiving Amount 1 from IRA B on \*\*\*\*\*, Taxpayer A received notice from Financial Institution D that the distribution amount was incorrect, and that Taxpayer A had exceeded the amount of liquid assets he could withdraw based on the partnership interest that IRA B held in Company G. Financial Institution D acknowledged their distribution error by letter dated \*\*\*\*\*, and requested that Taxpayer A return Amount 2 to the partnership. Financial Institution D's recognition of its error occurred after the expiration of the 60-day rollover requirement.

In accordance with the instructions of Financial Institution D, Taxpayer A deposited Amount 2 into IRA B on \*\*\*\*\*, and on the same day, Financial Institution E wired the Amount 2 funds to Financial Institution F, custodian for Company G. Financial Institution D noted that Taxpayer A's actual distribution from IRA B for \*\*\*\* should have been Amount 3 (Amount 1 less Amount 2) and requested that Financial Institution E issue a corrected \*\*\*\* 1099-R for Amount 3.

Based on the above facts and representations, you request a ruling that the Internal Revenue Service ("Service") waive the 60-day rollover requirement with respect to Amount 2 contained in section 408(d)(3) of the Code in this instance.

Section 408(d)(1) of the Code provides that, except as otherwise provided in section 408(d), any amount paid or distributed out of an IRA shall be included in gross income by the payee or distributee, as the case may be, in the manner provided under section 72 of the Code.

Section 408(d)(3) of the Code defines, and provides the rules applicable to IRA rollovers.

Section 408(d)(3)(A) of the Code provides that section 408(d)(1) of the Code does not apply to any amount paid or distributed out of an IRA to the individual for whose benefit the IRA is maintained if

- (i) the entire amount received (including money and any other property) is paid into an IRA for the benefit of such individual not later than the 60<sup>th</sup> day after the day on which the individual receives the payment or distribution; or

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(ii) the entire amount received (including money and any other property) is paid into an eligible retirement plan (other than an IRA) for the benefit of such individual not later than the 60<sup>th</sup> day after the date on which the payment or distribution is received, except that the maximum amount which may be paid into such plan may not exceed the portion of the amount received which is includible in gross income (determined without regard to section 408(d)(3)).

Section 408(d)(3)(B) of the Code provides that section 408(d)(3) does not apply to any amount described in section 408(d)(3)(A)(i) received by an individual from an IRA if at any time during the 1-year period ending on the day of such receipt such individual received any other amount described in section 408(d)(3)(A)(i) from an IRA which was not includible in gross income because of the application of section 408(d)(3).

Section 408(d)(3)(D) of the Code provides a similar 60-day rollover period for partial rollovers.

Section 408(d)(3)(E) of the Code provides that the rollover provisions of section 408(d) do not apply to any amount required to be distributed under section 408(a)(6).

Section 408(d)(3)(I) of the Code provides that the Secretary may waive the 60-day requirement under sections 408(d)(3)(A) and 408(d)(3)(D) of the Code where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement. Only distributions that occurred after December 31, 2001, are eligible for the waiver under section 408(d)(3)(I) of the Code.

Rev. Proc. 2003-16, 2003-4 I.R.B. 359 (January 27, 2003) provides that in determining whether to grant a waiver of the 60-day rollover requirement pursuant to section 408(d)(3)(I), the Service will consider all relevant facts and circumstances, including: (1) errors committed by a financial institution; (2) inability to complete a rollover due to death, disability, hospitalization, incarceration, restrictions imposed by a foreign country or postal error, (3) the use of the amount distributed (for example, in the case of payment by check, whether the check was cashed); and (4) the time elapsed since the distribution occurred.

The information presented and documentation submitted by Taxpayer A is consistent with his assertion that his failure to accomplish a timely rollover was caused by an error on the part of Financial Institution D to initiate for distribution the correct amount of funds.

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Therefore, pursuant to section 408(d)(3)(I) of the Code, the Service hereby waives the 60-day rollover requirement with respect to the contribution made by Taxpayer A of Amount 2 into IRA B. Provided all other requirements of section 408(d)(3) of the Code, except the 60-day requirement, are met with respect to such contribution, Amount 2 will be considered a rollover contribution within the meaning of section 408(d)(3) of the Code.

This ruling does not authorize the rollover of amounts that are required to be distributed by section 408(a)(6) of the Code.

No opinion is expressed as to the tax treatment of the transaction described herein under the provisions of any other section of either the Code or regulations which may be applicable thereto.

This letter is directed only to the taxpayer who requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

If you wish to inquire about this ruling, please contact \*\*\*\*\*  
(Identification Number \*\*\*\*\* at (\*\*\*) \*\*\*-\*\*\*\*. Please address all  
correspondence to \*\*\*\*\*.

Sincerely yours,

*Carlton A. Watkins*

Carlton A. Watkins, Manager  
Employee Plans Technical Group 1